AGENDA

BAY ARENAC BEHAVIORAL HEALTH
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING

Wednesday, December 11, 2024 at 5:00 pm

Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

Committee Members:	Present	Excused	Absent	Committee Member	Present	Excused	Absent	Others Present:
Tim Banaszak, Ch				Pam Schumacher				BABH: Marci Rozek, Chris Pinter, and Sara McRae
Sally Mrozinski, V Ch				Pat McFarland, Ex Off				
Jerome Crete				Robert Pawlak, Ex Off				
Christopher Girard				Richard Byrne, Ex Off				Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
Kathy Niemiec								

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 3 Minutes)		
3.	Investment Earning Reports for Period Ending November 30, 2024		3) Consideration of motion to refer the investment earnings reports for period ending November 30, 2024 to the full Board for information
4.	Contracts 4.1) Finance December 2024 Contract List		4.1) Consideration of motion to refer the Finance December 2024 contract list to the full Board for approval
5.	Unfinished Business 5.1) None		
6.	New Business 6.1) Proposed Michigan Department of Health & Human Services (MDHHS) Policy regarding Autism Service Rates 6.2) Summary of Certified Community Behavioral Health Clinic (CCBHC) Discussions		6.1) No action necessary 6.2) No action necessary

AGENDA

BAY ARENAC BEHAVIORAL HEALTH
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING
Wednesday, December 11, 2024 at 5:00 pm
Room 225, Behavioral Health Center, 201 Mulholland Street, Bay City, MI 48708

	6.3) Arenac Opportunities 2024 Contract 6.4) Vocational Services & Clubhouse Contracts 2025 6.5) Finance Committee Changes 2025		6.3) No action necessary 6.4) No action necessary 6.5) No action necessary
7.	Adjournment	M - S - pm MA	

Bay-Arenac Behavioral Health Authority
Estimated Cash and Investment Balances November 30, 2024

Balance November 1, 2024	5,758,966.77
Balance November 30, 2024	9,065,837.45
Average Daily Balance	5,547,464.81
Estimated Actual/Accrued Interest November 2024	16,535.91
Effective Rate of Interest Earning November 2024	3.58%
Estimated Actual/Accrued Interest Fiscal Year to Date	34,222.36
Effective Rate of Interest Earning Fiscal Year to Date	3.71%

Note: The Cash and Investment Balances exclude Payroll and AP related Cash Accounts.

Cash Available - Operating Fund

	Rate	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Beg. Balance Operating Funds - Cash, Cash equivalents, Investments		8,549,839	7,456,274	7,733,635	3,167,316	6,109,840	6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678
Cash in		11,552,037	11,480,507	4,835,627	19,658,739	13,131,069	13,733,115	3,521,802	21,031,319	18,649,095	11,484,363	12,579,941	20,255,107
Cash out		(12,645,602)	(11,203,146)	(9,401,946)	(16,716,214)	(13,094,320)	(14,391,408)	(7,959,163)	(17,914,080)	(16,135,454)	(12,277,820)	(13,159,621)	(16,962,838)
Ending Balance Operating Fund		7,456,274	7,733,635	3,167,316	6,109,840	6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946
Investments													
Money Markets		7,456,274	7,733,635	3,167,316	6,109,840	6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946
90.00													
180.00													
180.00													
270.00													
270.00													
Total Operating Cash, Cash equivalents, Invested		7,456,274	7,733,635	3,167,316	6,109,840	6,146,590	5,488,296	1,050,935	4,168,174	6,681,815	5,888,358	5,308,678	8,600,946
Average Rate of Return General Funds		4.01%	4.04%	4.05%	4.08%	4.08%	4.08%	4.08%	4.08%	4.08%	4.05%	3.70%	3.61%
		4.13%	4.11%	4.10%	4.24%	4.08%	4.05%	4.08%	4.05%	4.08%	3.72%	3.70%	3.52%
average		6,430,680	6,756,419	6,038,598	6,050,472	6,064,203	5,992,215	5,443,183	5,315,682	5,439,876	5,477,250	5,308,678	6,954,812

Cash Available - Other Restricted Funds

	Rate	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Beg. Balance-Other Restricted Funds - Cash, Cash equivalents, Investments		442,629	444,508	446,396	448,169	450,072	451,922	453,841	455,706	457,642	459,585	461,413	463,216
Cash in		1,880	1,888	1,773	1,903	1,850	1,919	1,865	1,935	1,943	1,828	1,803	1,675
Cash out													
Ending Balance Other Restricted Funds		444,508	446,396	448,169	450,072	451,922	453,841	455,706	457,642	459,585	461,413	463,216	464,891
Investments													
Money Market		444,508	446,396	448,169	450,072	451,922	453,841	455,706	457,642	459,585	461,413	463,216	464,891
91.00	0.70%												
91.00	1.10%												
91.00	1.15%												
91.00	1.35%												
90.00	1.70%												
91.00	2.05%												
90.00	2.15%	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Restricted Funds		444,508	446,396	448,169	450,072	451,922	453,841	455,706	457,642	459,585	461,413	463,216	464,891
Average Rate of Return Other Restricted Funds		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.99%	4.84%	4.84%
		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.84%	4.84%	4.84%
average		442,651	443,587	444,504	445,432	446,359	447,294	448,229	449,170	450,117	451,058	463,216	464,054
Total - Bal excludes payroll related cash accounts		7,900,782	8,180,031	3,615,485	6,559,912	6,598,512	5,942,137	1,506,641	4,625,816	7,141,400	6,349,771	5,771,894	9,065,837
Total Average Rate of Return		4.20%	4.21%	4.17%	4.20%	4.19%	4.19%	4.18%	4.19%	4.19%	4.17%	3.84%	3.71%

Bay-Arenac Behavioral Health
Finance Council Board Meeting
Summary of Proposed Contracts
December 11, 2024

			Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Poor/Fair/Good/Excellent)
SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES							
Clinical Services							
1	N	**North Shores Center, LLC** Single Case Agreement for Respite Services for 1 BABHA individual	$0	$350/day	11/15/24 - 11/17/24	Y	N
2	N	**Bay City CRU** Single Case Agreement for Respite Services for 1 BABHA individual	$0	$350/day	11/18/24 - 12/2/24	Y	N
3	N	**Dr. Raval** Monthly Collaboration, Phone Consultation & Clinical Consultation for Second Opinions	$0	$175/hour	12/1/24 - 9/30/25	Y	N
4	N	**Grounded Therapy Network** Recreational Therapy Services: *Recreational Therapy Assessment (H0031)* *Recreational Therapy - Plan Development (H0032)* *Activity Therapy (G0176)* *Family Training (S5110 & S5111)* *Non-Familly Training (S5116)*	$0	 $250/encounter $85/encounter $85/encounter $22/unit $22/unit	1/1/25 - 9/30/25	Y	N
5	N	**Valley Residential Services** BABHA Staffing of Rose Home During Transition Period & reimbursement of VRS staff training	$0	$26.30/hour	11/26/24 - 12/28/24	Y	N
6	N	**DBT Institute of Michigan** Single Case Agreement for one BABHA individual	$0	$1,200/day	12/10/24 - 1/19/25	Y	N
SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)							
SECTION III. STATE OF MICHIGAN GRANT CONTRACTS							
SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL							
7	N	**CARF International** Survey fee	$0	$18,360	2/1/25 - 3/31/25	N/A	N/A
8	T	**A2Z Cleaning & Restoration** Termination of the Contract for services at the Wirt location	$600/month	$0	Terminated eff. 12/20/24	Y	N
9	N	**Bay Area Human Services Collaborative Council** 2025 HSCC Membership Dues	$500	$500	1/1/25 - 12/31/25	N/A	N/A
10	R	**Accident Fund** Workers Compensation Renewal	$99,412	$107,751	1/1/25 - 12/31/25	N/A	N/A

R = Renewal with rate increase since previous contract
D = Renewal with rate decrease since previous contract
S = Renewal with same rate as previous contract
ES = Extension
M = Modification
N = New Contract/Provider
NC = New Consumer
T = Termination

Footnotes:

Bulletin Number: MMP 24-51

Distribution: Prepaid Inpatient Health Plans (PIHPs), Community Mental Health Services Programs (CMHSPs)

Issued: November 13, 2024

Subject: Implementation of the Legislatively Mandated Behavioral Health Treatment (BHT)-Applied Behavior Analysis (ABA) Rate Increase

Effective: As Indicated

Programs Affected: Medicaid, Healthy Michigan Plan

This bulletin is in response to the Michigan Department of Health and Human Services (MDHHS) fiscal year (FY) 2025 budget appropriations of public act 121 of 2024. From state appropriated funds, the Act directs MDHHS to increase the Behavioral Health Treatment (BHT)-Applied Behavior Analysis (ABA) rate to maintain and increase access to Autism treatment services for Medicaid-enrolled beneficiaries.

Therefore, consistent with 42 CFR §438.6(c)(1)(iii)(B), effective November 1, 2024, the contracted Prepaid Inpatient Health Plans (PIHP) will pay for BHT-ABA services (current procedure terminology [CPT] code 97153), at a rate of not less than $16.50 per unit or $66.00 per hour. The increase will come from the state general fund with federal match and be paid to the PIHPs through an increase to their capitation payments.

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments to Laura Kilfoyle at KilfoyleL@michigan.gov.

Please include “Implementation of the Legislatively Mandated BHT-ABA Rate Increase” in the subject line.

Comments received will be considered for revisions to the change implemented by this bulletin.

Manual Maintenance

Retain this bulletin until the information is incorporated into the MDHHS Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 800-292-2550. Atypical Providers may phone toll-free 800-979-4662.

An electronic copy of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Approved

Meghan E. Groen, Director
Behavioral and Physical Health and Aging Services Administration

BAY ARENAC
BEHAVIORAL HEALTH

Chief Executive Officer
Christopher Pinter

Board of Directors
Richard Byrne, Chair
Robert Pawlak, Vice Chair
Patrick McFarland, Treasurer
Christopher Girard, Secretary
Tim Banaszak
Patrick Conley
Jerome Crete
Sally Mrozinski
Kathy Niemiec
Carole O'Brien
Marie (Toni) Reese
Pamela Schumacher

Board Administration
Behavioral Health Center
201 Mulholland
Bay City, MI 48708
800-448-5498 Access Center
989-895-2300 Business

Arenac Center
PO Box 1188
1000 W. Cedar
Standish, MI 48658

North Bay
1961 E. Parish Road
Kawkawlin, MI 48631

William B. Cammin Clinic
1010 N. Madison
Bay City, MI 48708

Wirt Building
909 Washington Ave.
Bay City, MI 48708

www.babha.org

November 25, 2024

Laura Kilfoyle
Behavioral and Physical Health and Aging Services Administration
Michigan Department of Health & Human Services
PO Box 30731
Lansing, MI 48909-8231

Via Email: KilfoyleL@michigan.gov

Re: Implementation of the Legislatively Mandated Behavioral Health Treatment (BHT)-Applied Behavioral Analysis (ABA) Rate Increase

Dear Ms. Kilfoyle:

The purpose of this correspondence is to provide public comment regarding the Michigan Department of Health and Human Services (MDHHS) implementation of the legislatively mandated BHT-ABA rate increase as noted in Michigan Medicaid Policy (MMP) Bulletin 24-51. These comments are provided on behalf of Bay-Arenac Behavioral Health Authority (BABHA), a community mental health service program (CMHSP) serving Bay and Arenac Counties.

BABHA is in opposition to the implementation of BHT-ABA rate increase proposed by MMP 24-51. The basis for opposition is as follows:

- **The specific citation 42 CFR 438.6(c)(1)(iii)(B) referenced in MMP 24-51 applies to adopting a fee schedule based on the *Medicare payment rate*.** We have not been able to locate any published Medicare rates for any autism services, including CPT code 97153.
- **The general rule under 438.6(c)(1) for State Directed Payments under Managed Care Organizations (MCOs) and Pre-paid Inpatient Health Plans (PIHPs) actually discourages States from directing expenditures under the PIHP contracts**, although 438.6(c)(1)(iii) (A) and (C) do permit adoption of a minimum fee schedule for providers of a particular service.
- **As a matter of policy, MDHHS has tended to avoid implementation of requirements that fundamentally alter the nature of the PIHP contracts by establishing fixed payment rates**. For example, the direct care wage mandates during COVID-19 provided for a uniform dollar increase for certain procedure codes but did not essentially establish a new wage scale. In a managed care arrangement, it is the responsibility of the PIHP and CMHSPs to establish fair market rates.

- **It is clear that MDHHS did NOT take this increase into consideration in the development of the Fiscal Year 2025 Medicaid rates.** This will add nearly $1,000,000 in expense just to BABHA without actually increasing the number of persons accessing services **and directly contradicts the stated intention of MMP 24-51 to "…to increase access to autism treatment services….".**
- **The enabling appropriation language at Section 924 increasing these autism rates in MMP 24-51 is also at odds with existing boilerplate in section 960** indicating legislative intent "To restrain cost increases in the autism services line item…".

The implementation of MMP 24-51 and the required $66 per hour rate for CPT 97153 would significantly exacerbate the pay differentials between professional staff with similar credentials performing comparable work under federal and state labor laws. This will only create further challenges on PIHP and CMHSPs providers to offer effective services to the most vulnerable members of our communities.

Thank you for your attention regarding this important matter. If you have any questions regarding this correspondence, please feel free to contact me anytime at (989) 895-2348.

Sincerely,

Christopher Pinter
Chief Executive Officer

Cc: Meghan Groen, MDHHS
Kristen Jordan, MDHHS
Robert Sheehan, Community Mental Health Association of Michigan
Joseph Sedlock, Mid-State Health Network

Bay-Arenac Behavioral Health Finance Committee
Certified Community Behavioral Health Clinic (CCBHC) Discussions
12-11-24

Background
BABHA has been tasked with evaluating the regulatory, financial, legal and performance of the CCBHC model for consideration for the residents of Bay and Arenac Counties. The most salient questions relate to improved health care outcomes and long term sustainability of the model embedded in a community mental health service program (CMHSP).

BABHA has conducted interviews with executive, clinical and financial leadership of Ionia, Washtenaw and Sanilac County CMHSPs to determine the impact of the CCBHC model on their existing service mission. BABHA will also be discussing CCBHC with Clinton- Eaton- Ingham CMHSP later this week.

How have CCBHC services improved the care of your community
It has improved access and service penetration for all populations, particularly those with commercial insurance and non-specialty Medicaid. Also, they have noted significant increases in phone call volume and requests to support partner organizations in the community and increased public satisfaction with CMHSP services under the more defined core-CCBHC model

CMHSPs have developed more positive relationships with local Federal Qualified Health Center (FQHC) to serve as an alternative provider for non-Medicaid cases; CMHSPs have embedded mental health outreach and psychiatric/prescriber services on site at the FQHC. There are additional improvement opportunities in the critical relationships with CCBHC-delegated Direct Care Organizations (DCOs) and substance use disorder providers.

How well as your core CCBHC services aligned with your long term specialty services including community support and residential?
The core CCBHC services, 24/7 emergency response and stabilization, assessment and treatment, outpatient services, case management services, substance abuse services, peer support and veterans' services are easily built on existing CMHSP service arrays. In general, the CCBHC population has more acute, primary care needs similar to the mild to moderate population rather than long term care service need associated with traditional specialty CMHSP services.

The MDHHS CCBHC team is competent but oftentimes implements state requirements that are even less flexible than the federal standards. MDHHS interacts with CCBHCs in the same recent experience as with PIHPs and CMHSPs but with more commitment to overall success of the demonstration.

Has the CCBHC structure and requirements permitted an expansion of CMHSP services to a broader population?
CCBHC has used Mobile Response team as front line for community integration and leverage to expand certain services into rural areas. However, emergency services and MRT continue to be financial loss leaders in many rural areas. The primary expansion opportunities is for mild to moderate Medicaid, commercial insurance and uninsured individuals that historically have not needed acute CMHSP care but could benefit from components of the CCBHC model.

Has your CCBHC expansion drawn consumers from outside your traditional catchment area?
Some cross boundary issues emerge with other CMHSPs but in general, the CCBHC has an obligation to meet the immediate needs of the consumer and then refer or coordinate a follow-up linkage with an alternative provider.

Has your health outcomes and primary care coordination improved under the CCBHC model?
The emphasis on health care screenings and co-located services encourages an integrated assessment of all health care outcomes. This inherently improves relationships and communication between primary and mental health care providers and contributes to improved service outcomes.

The CCBHC case management team uses a "group practice" approach focused on alleviating the immediate needs of consumers and transition planning to alternative provider arrangements such as the crisis stabilization team or outside providers. However, the CCBHC model has not yet appeared to significantly reduce state-wide increases in demand for inpatient psychiatric and outpatient services.

Has the CCBHC designation increased your CMHSP revenue stream, reduced expenses and/or made you less dependent upon Medicaid capitation funding?
The funding was plentiful the first years of the demonstration due to availability of block grants and redirected surpluses from other CCBHCs. Other revenue increases have primarily been related to additional third party billing. This has required some return to traditional billing and accounting systems. This has also encouraged less dependence on PIHP Medicaid, assuming the CCBHC supplemental Medicaid prospect payment rate is based on a high and sustainable proportion of Medicaid v. non-Medicaid or indigent cases.

The challenge is to have sufficient general or local funds to cover any mild-moderate expenses not included in the supplemental rates. Some early adopter CMHSPs also have existing local millages for county-based mental health services to supplement local, grant and initial capital expenses.

It is anticipated that supplemental funding after years 3-4 will claw backward to actual utilization and may be insufficient to cover CCBHC expenses going forward. Unless a CMHSP develops a strong and sustainable source of unrestricted funds, the longer term prospect suggests that post-demonstration implementation in 2027 simply becomes cost shifting between the CCBHC prospective payments and the PIHP capitation payments, rather than additional Medicaid revenue.

How has your staff responded to CCBHC status and has it permitted more competitive compensation arrangements?

The overall organizational cultural change and commitment to the CCBHC has been positive and motivating for staff. The staff embrace of the model seems to be reflected in improved morale, customer service and community relationships. The initial grant funding has permitted some CCBHCs to pay more competitively in order to attract professional staff, however this remains dependent upon the job market and has not necessarily resulted in fuller employment numbers. In addition, more recent CCBHC adopters have not reported the financial windfall of the original demonstration sites, nor did they not notice any advantages to staff recruitment.

Finance Committee
Monthly Meeting
SLT Facilitator: Marci Rozek

	January	February	March	April	May	June	July	August	Sepetember	October	November	December
Items:												
Investment Reports	x	x	x	x	x	x	x	x	x	x	x	x
Contract List	x	x	x	x	x	x	x	x	x	x	x	x
Bid Reports (One Time Purchases)												
Building Leases												
Risk Management Plan											x	
Budget Approval & Amendments								x	x			
Strategic Initiatives/Dashboard Review	x			x			x			x		

Other coordination with Board Office:
1) Annual Budget Public Hearing